

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **February 14, 2006**

AGENDA ITEM NO.: 6

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: Central Virginia Community Services Request to Refinance Existing Indebtedness through Issuance of Bonds

RECOMMENDATION: Adopt a resolution approving the request of the Central Virginia Community Services Board (CVCSB) to refinance existing debt through the issuance of bonds not to exceed \$1,700,000.

SUMMARY: Central Virginia Community Services wishes to participate in the VML/VACo Commercial Paper Finance Program recently developed for Community Services Boards. Several of their facilities are financed by bank loans and refinancing with this program could reduce interest costs by up to 40%. On January 25, the CVCSB adopted a Resolution required for participation in the program, and is now requesting that each of the participating jurisdictions adopt a similar resolution approving their submission of an application for the issuance of bonds in a principal amount not to exceed \$1,700,000 in order to refinance existing indebtedness. The payment of debt service on the Note shall not constitute general obligation indebtedness or a pledge of the full faith and credit or taxing power of the City.

PRIOR ACTION(S): None

FISCAL IMPACT: None

CONTACT(S): Kimball Payne

ATTACHMENT(S): Proposed resolution; Central Virginia Community Services Letter/Resolution

REVIEWED BY: lkp

**RESOLUTION OF THE LYNCHBURG CITY COUNCIL APPROVING THE ISSUANCE OF DEBT BY THE
CENTRAL VIRGINIA COMMUNITY SERVICES BOARD AND RELATED MATTERS**

WHEREAS, the Board of Directors of the Central Virginia Community Services Board (the "Board") has authorized the submission of a financing application (the "Application") to the Virginia Municipal League/Virginia Association of Counties Commercial Paper Finance Program (the "VML/VACo Commercial Paper Program") for the purpose of refinancing certain existing indebtedness of the Board (the "Existing Indebtedness") through the issuance of one or more notes or bonds of the Board in a principal amount not to exceed \$1,700,000 (the "Note").

WHEREAS, pursuant to Chapter 5, Subtitle II, Title 37.2 of the Code of Virginia of 1950, as amended (the "Act"), including Section 37.2-504 of the Act, the Board is authorized to accept loans as authorized by the governing bodies of the political subdivisions that established, which consist of Counties of Amherst, Appomattox, Bedford and Campbell, and the Cities of Bedford and Lynchburg (collectively, the "Member Jurisdictions"), and such consent is being requested prior to the issuance of the Note by the Authority.

NOW, THEREFORE, BE IT RESOLVED:

1. The Lynchburg City Council (the "Locality") hereby approves the submission of the Application and consents to the issuance of the Note by the Board in order to refinance the Existing Indebtedness and to pay related costs and expenses, upon terms and conditions, and pursuant to such financing, collateral, and other documents, as shall be approved by the Board pursuant to a subsequent resolution adopted by the Board.
2. Each duly authorized officer of the Locality is hereby authorized to execute and deliver such additional instruments or to take such additional action as may be reasonably necessary to effectuate the purposes and intent of this Resolution and the issuance of the Note by the Board. Under no circumstances, however, shall the payment of debt service on the Note constitute a general obligation indebtedness or a pledge of the full faith and credit or taxing power of any of the Member Jurisdictions.
3. This resolution shall take effect immediately.

Adopted:

Certified:

Clerk of Council

013P

CERTIFICATE

The undersigned Clerk of the City Council of the City of Lynchburg, Virginia, hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the members of the City Council present and voting at a meeting duly called and held on _____, 2006, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

Member Name	Present	Absent	Voting		
			Yes	No	Abstaining

WITNESS my signature and the seal of the City of Lynchburg, Virginia, this _____ day of _____, 2006.

Clerk

[Seal]

CENTRAL VIRGINIA
**COMMUNITY
SERVICES**
Behavioral Healthcare

ADMINISTRATION

2241 LANGHORNE ROAD, LYNCHBURG, VA 24501
434-847-8050 • TDD: 434-847-8062 • FAX: 434-847-6099

January 30, 2006

Mr. L. Kimball Payne III
City Manager
City of Lynchburg
900 Church Street
Lynchburg, VA 24504

Dear Mr. Payne:

Central Virginia Community Services wishes to participate in the VML/VACo Commercial Paper Finance Program recently developed for Community Services Boards. We have several facilities financed by bank loans and refinancing with this program could reduce interest costs by up to 40%.

At its regular monthly meeting January 25, 2006 the Board adopted the enclosed resolution required for participation. The resolution recommends that each of our participating jurisdictions adopt a similar resolution approving the application, enclosed as Exhibit A.

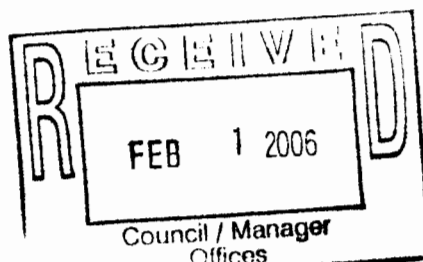
We would appreciate your taking this matter to City Council at the next scheduled meeting. Thank you for your assistance.

Sincerely,



Augustine Fagan,
Executive Director

enclosures



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RESOLUTION OF THE
CENTRAL VIRGINIA COMMUNITY SERVICES BOARD

WHEREAS, the Central Virginia Community Services Board (the "Board") is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to Chapter 5, Subtitle II, Title 37.2 of the Code of Virginia of 1950, as amended (the "Act"), and is organized and operated in accordance with the Charter Agreement by and among the Counties of Amherst, Appomattox, Bedford and Campbell, and the Cities of Bedford and Lynchburg (collectively, the "Member Jurisdictions").

WHEREAS, the Director of Administration of the Board has previously submitted a financing application (the "Application") to the Virginia Municipal League / Virginia Association of Counties Commercial Paper Finance Program (the "VML / VACo Commercial Paper Program") for the purpose of refinancing certain existing indebtedness of the Board (the "Existing Indebtedness").

WHEREAS, pursuant to the terms and conditions of the Act, the Board is authorized to accept loans as authorized by its Member Jurisdictions.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the Board (the "Board of Directors") hereby approves of the submission of the Application to the VML / VACo Commercial Paper Program and authorizes and directs the Director of Administration and Executive Director of the Board to provide such additional information and to take such additional actions as may be reasonably necessary to comply with the requirements for the Board's proposed participation in the VML / VACo Commercial Paper Program.

2. The Board hereby recommends to the Member Jurisdictions that each such Member Jurisdiction adopt and approve a resolution substantially in the form attached hereto as Exhibit A which authorizes and approves the submission of the Application and the issuance of one or more notes or bonds by the Board in a principal amount not to exceed \$1,700,000 (the "Note") pursuant to the VML / VACo Commercial Paper Program in order to refinance the Existing Indebtedness and to pay related costs and expenses, upon terms and conditions, and pursuant to such financing, collateral, and other documents, as shall be approved by the Board pursuant to a subsequent resolution adopted by the Board.

3. The issuance of the Note shall not directly, indirectly or contingently obligate the Commonwealth of Virginia or any Member Jurisdiction to pledge its faith and credit or to levy any taxes for the payment of the principal of or premium, if any, and interest on the Note or other costs incident to it.

4. All prior acts of the Chairman, the Vice-Chairman, the Director of Administration and the Executive Director of the Board, and other officers, agents or representatives of the Board that are in conformity with the purposes and intent of this Resolution and in furtherance of the submission of the Application, the plan of refinancing contemplated thereby and the issuance of the Note by the Board, are hereby ratified, reaffirmed and approved.

5. LeClair Ryan, A Professional Corporation, is hereby appointed bond counsel to the Board in connection with the issuance of the Note.

6. This resolution shall take effect immediately.

The undersigned Executive Director of the Central Virginia Community Services Board hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Board of Directors of the Board present and voting at a meeting duly called and held on January 25, 2006, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

Director Name	Present	Absent	Voting		
			Yes	No	Abstaining
Rick Boyer	<u>X</u>		<u>X</u>		
Sue Boyers	<u>X</u>		<u>X</u>		
Nancy Brockman	<u>X</u>		<u>X</u>		
Lynn Doss	<u>X</u>		<u>X</u>		
Dana Koenig	<u>X</u>		<u>X</u>		
Carolyn Porter	<u>X</u>		<u>X</u>		
Ida Powell	<u>X</u>		<u>X</u>		
Ron Reynolds	<u>X</u>		<u>X</u>		
Marsha Rose	<u>X</u>		<u>X</u>		
Jeff Helgeson	<u>X</u>		<u>X</u>		
Philip Theisen	<u>X</u>		<u>X</u>		
Gary Lowry		<u>X</u>			


 Augustine Pagan, Executive Director,
 Central Virginia Community Services Board